



30 September 2019

It is with pleasure that I present to you the 2018/2019 NAWMA Annual Report.

I thank our Chairman for his leadership, the NAWMA Board, Audit Committee and Technical Working Group for their governance and guidance. I also thank the Elected Members and Chief Executive Officers of our three (3) Constituent Councils for their support. Last, but certainly not least, I wish to acknowledge the NAWMA Senior Management Team and staff, who throughout the past year have contributed to so professionally and enthusiastically to our agenda of innovation.

We look forward to the future as a visionary and progressive organisation delivering the highest quality waste management and recycling services that aim to increase diversion from landfill while reducing costs for our Constituent Councils.

The report is available electronically for download from the NAWMA website – www.nawma.sa.gov.au/about-nawma/nawma-documents/

Yours sincerely

Adam Faulkner
Chief Executive Officer

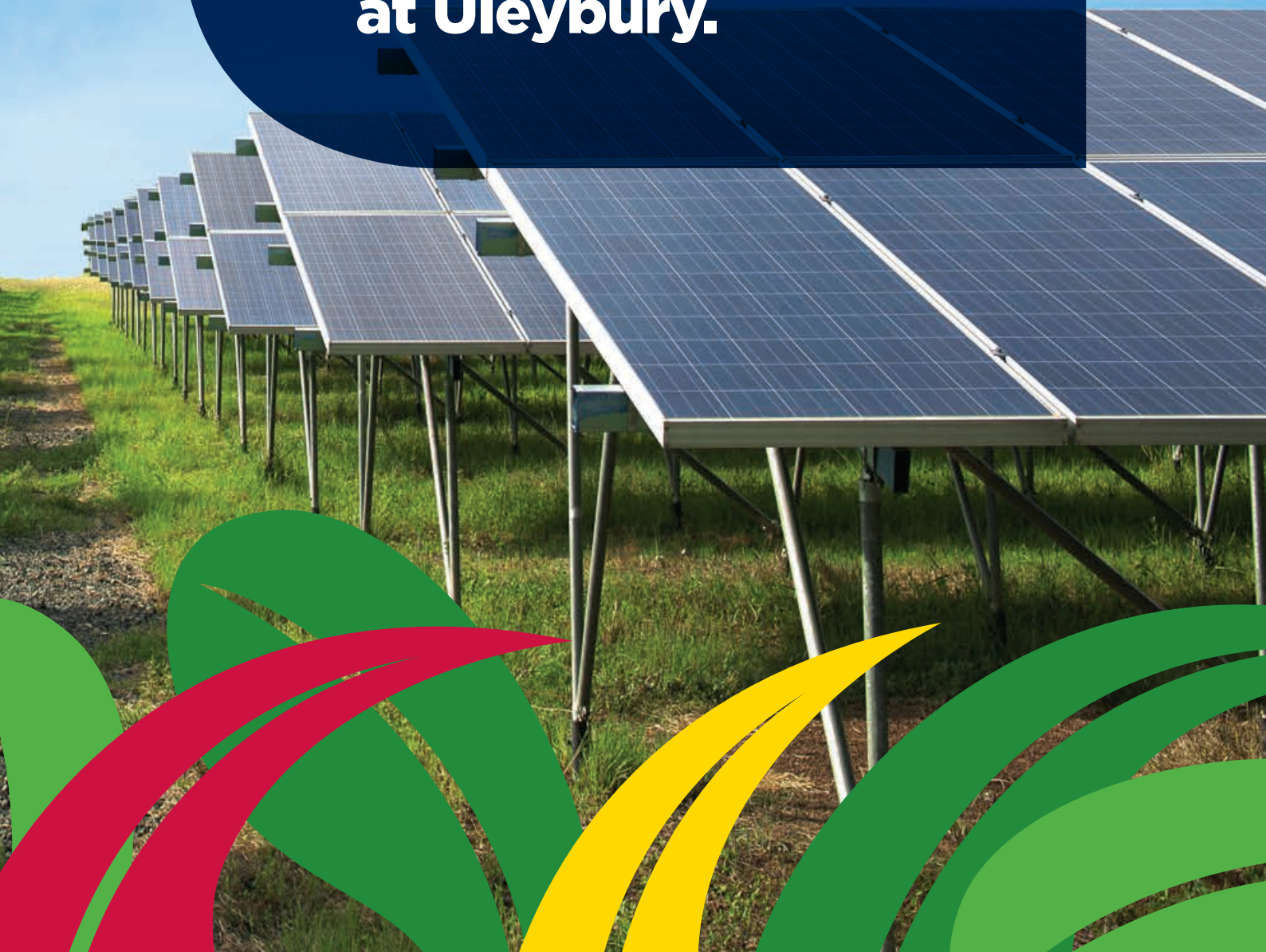
Brian Cunningham
Independent Chair



Annual Report

2018-2019

**NAWMA is
taking leadership
on renewables
with an Australia
first investment in
a combined solar,
landfill gas farm
at Uleybury.**



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Our Mission & Objectives

About NAWMA

We provide local waste management and resource recovery services and infrastructure of global significance. We do this on behalf of our Constituent Councils: City of Salisbury, City of Playford and Town of Gawler.

Mission

To deliver world-class recycling and waste management services to our Constituent and client Councils.

Objectives

Objective 1: Achieve best practice in diversion of waste from landfill

Performance indicators:

- All Constituent Council households to have a three-bin system by 2020
- Increase kerbside diversion from 45% to 70% by 2023
- Reduce the contamination rate of the kerbside recyclables bin to less than 10% by 2023

Objective 2: Advocate and facilitate a circular economy

Performance indicators:

- Recycle 100% of yellow bin (household) recovered material in Australia by 2020
- Engage with Constituent Councils to encourage the purchasing back half (by weigh) of their kerbside recovered recyclables in the form of sustainable procurement by 2023

Objective 3: Maintain cost-effectiveness in service delivery

Performance indicators:

- Reduce cost per Serviced Entitled Premise by 5% by 2023 (allowing for LGPI/CPI indexation, and excluding State Government Solid Waste Levy)
- Reduce cost per Constituent Council by 5% by 2023 (allowing for LGPI/CPI indexation, and excluding State Government Solid Waste Levy)
- Efficiently manage the life of the Uleybury Landfill, while investigating landfill alternative technologies in readiness for post closure

Report from the Independent Chairman



2018-2019 has been a successful year for NAWMA, in terms of financial, operational and reputational results. Our core business is to provide efficient and effective waste management and resource recovery services to our Constituent Councils, and our focus does not waiver from this task.

Each week we provide seamless kerbside collection services to some 115,000 properties, annually processing approximately 200,000 tonnes of recyclables, waste and organics, and enabling around 90,000 transactions at our public Resource Recovery Centres. Building on the growing nationwide recognition of NAWMA's integrated business model and achievements, NAWMA has hosted many government agencies and prominent private sector entities from across Australia and the globe.

- Green Industries South Australia Board, Chief Executive Officer, and Management Team
- Global Leadership Program on the Circular Economy (international delegates)
- Sustainability Victoria, Environment Protection Authority Victoria
- Environment Protection Authority NSW
- Overseas delegations from South Africa, New Zealand, United Kingdom, India and China



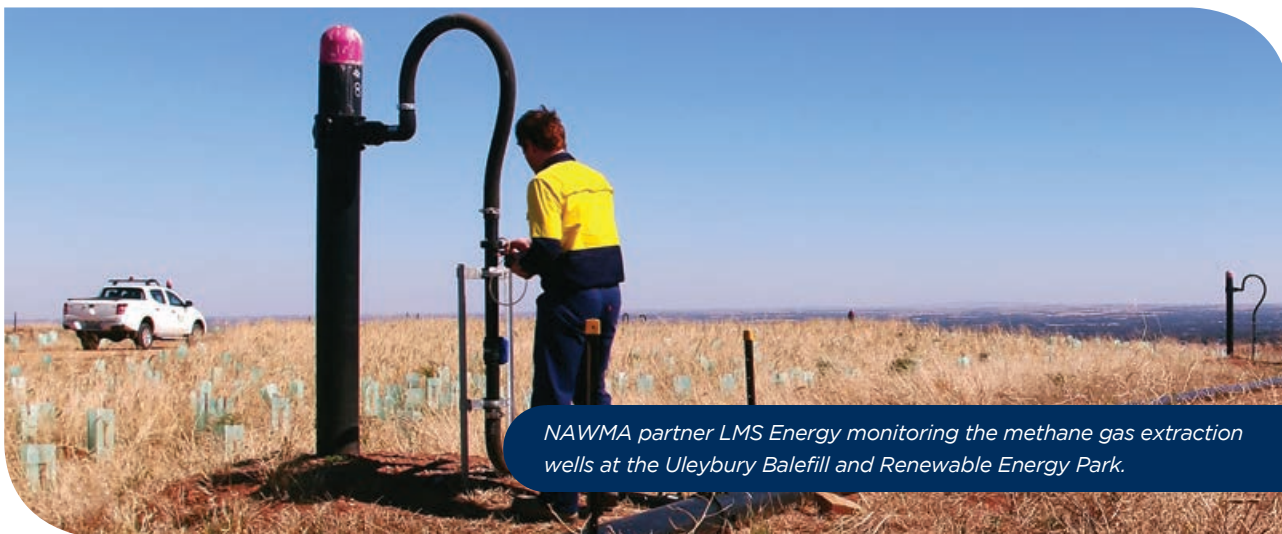
NAWMA's award winning Uleybury Balefill and Renewable Energy Park.

Some of these include:

- Premier of South Australia, the Honourable Steven Marshall
- Minister for Environment and Water, the Honourable David Speirs
- South Australian Government Environment, Resources and Environment Select Committee (in their function as the Parliamentary Inquiry into the South Australian Recycling Sector)

During the same period, NAWMA was represented on four (4) high level State Government advisory committees into various waste management and resource recovery matters, and provided written submissions to three (3) topical matters.

NAWMA is considered a thought leader in our field, and we cherish the opportunity to guide policy in order to stimulate economic and environmental activity in the Northern Region of Adelaide.



Across 2018-2019, NAWMA received \$1.75M in grant funding in order to future proof our Material Recovery Facility (MRF). While the improvement projects are still on foot, this investment will see the introduction of South Australia's first glass recovery plant, first artificial intelligence robotics, and a significant expansion of our footprint in the Edinburgh Parks Industrial Estate.

We are proud of the fact we provide employment for some 80 full time equivalent employees (FTEs) at our MRF, and we are equally proud of our headway in meeting our commitment to 100% processing of yellow-top bin recyclables on Australian shores by 2020. Through prudent market identification and development, NAWMA is approximately 80% onshore with recyclables processing. While others looked to secondary (and often unstable) Asian markets, NAWMA pivoted hard and early to stimulate jobs and economic activity through the domestic reprocessing of paper, plastics, metals, and glass.

Not one to rest on our recycling achievements, NAWMA was awarded the 2018 Landfill Excellence Award for our Uleybury Balefill and Renewable Energy Park. As recognition for this best in class landfill and Australia's first combined solar thermal and landfill gas renewable energy facility, this award was given by the peak industry body Waste Management & Resource Recovery Association of Australia. NAWMA is a net exporter of electricity from this facility, proving that even waste is seen as a resource by NAWMA.

Testament to prudent fiscal management by the NAWMA Board, Audit Committee and Management Team, NAWMA has grown its revenue base significantly to a \$34M turnover, and delivered a mostly balanced budget in what was another

turbulent year for the resource recovery sector. We have grown our Client Council base and now some 28 Councils are utilising the NAWMA MRF, and we proudly provide access to this facility for most of rural and regional South Australia. NAWMA has bedded down the operational management of the Pooraka Resource Recovery Centre, and will soon embark on a modernisation of this facility in partnership with City of Salisbury.

I would like to take this opportunity to thank the NAWMA Board for their leadership, strategy development, and financial management. My thanks also go to the NAWMA Audit Committee, Technical Working Group, Constituent Councils Mayors, elected representatives and Chief Executive Officers. Finally, to NAWMA Chief Executive Officer Adam Faulkner and his excellent Senior Management Team, I provide my full endorsement and praise on behalf of the Board for an outstanding year of achievement in delivering the 2018-2025 NAWMA Strategic Plan.

I look forward to another successful year in 2019-2020, and as Independent Chairman of the NAWMA Board, I commend this Annual Report.



Brian Cunningham
Independent Chairman

Report from the Chief Executive Officer

Under the guidance and leadership of Brian Cunningham and the NAWMA Board, NAWMA embarked in 2018-2019 on delivering the bold commitments outlined in the 2018-2025 NAWMA Strategy.

As Australia's first jurisdiction to publicly commit to reprocessing 100% of yellow-top bin recyclables in Australia by 2020, NAWMA has stimulated local and interstate markets, and kept these valuable resources onshore. We have partnered with domestic paper mills, plastic reproducers, and glass beneficiary plants, to turn our residents' recyclables back into Australian commodities. This has been achieved through an unwavering commitment to jobs in our region, and we proudly employ over 80 FTEs across all of our operations in the northern suburbs of Adelaide.

On behalf of our Constituent Councils of City of Salisbury, City of Playford and Town of Gawler, NAWMA operates:

- Uleybury Balefill and Renewable Energy Park
- Edinburgh North Waste Processing Facility
- Edinburgh North Resource Recovery Centre (which will imminently host the region's first free household chemical and paint drop off facility)
- Material Recovery Facility, Edinburgh
- Environmental Education Centre, Edinburgh
- Pooraka Resource Recovery Centre

We provide:

- Kerbside household collection of waste, recyclables, organics, and hard waste
- Customer Service Centre
- Recycling Education and Behaviour Change Programs

During the 2018-2019 year, NAWMA modernised the way we interact with our residents, through an updated website, mobile phone app (My Local Services), and SMS functionality for hard waste vouchers. NAWMA has a very lean administration, and I am very proud of our team for their pursuit of customer service excellence.

With a growing reputation as a resource recovery thought leader, NAWMA was invited to present keynote addresses at the Local Government Association Best Practice Showcase, Waste Essentials for Elected Members, and the Waste Management & Resource Recovery Association of Australia State Conference. This was in addition

to chairing a session of the International Solid Waste Association World Congress in Kuala Lumpur and hosting participants from the Global Leadership Program on the Circular Economy.

In early 2019, NAWMA was selected as the preferred tenderer for the receipt and processing of recyclables from seven (7) large metropolitan Adelaide Councils. This took the number of Councils serviced at our Material Recovery Facility to 28, testament to the leadership shown by the NAWMA Board and Constituent Councils in owning and operating the only local government Material Recovery Facility in South Australia.

Our Uleybury Balefill received a well-deserved national award for innovation, and we integrated the Pooraka Resource Recovery Centre into our operations in a seamless manner.

Our key driver is diverting as much waste away from landfill, and we look forward to continuing to partner with our Constituent Councils and residents in the responsible use of the kerbside household three bin system. While we have achieved much in 2018-2019, we still have a huge challenge in meeting our target of 70% household landfill diversion by 2023 while reducing contamination to less than 10% in the same time period.

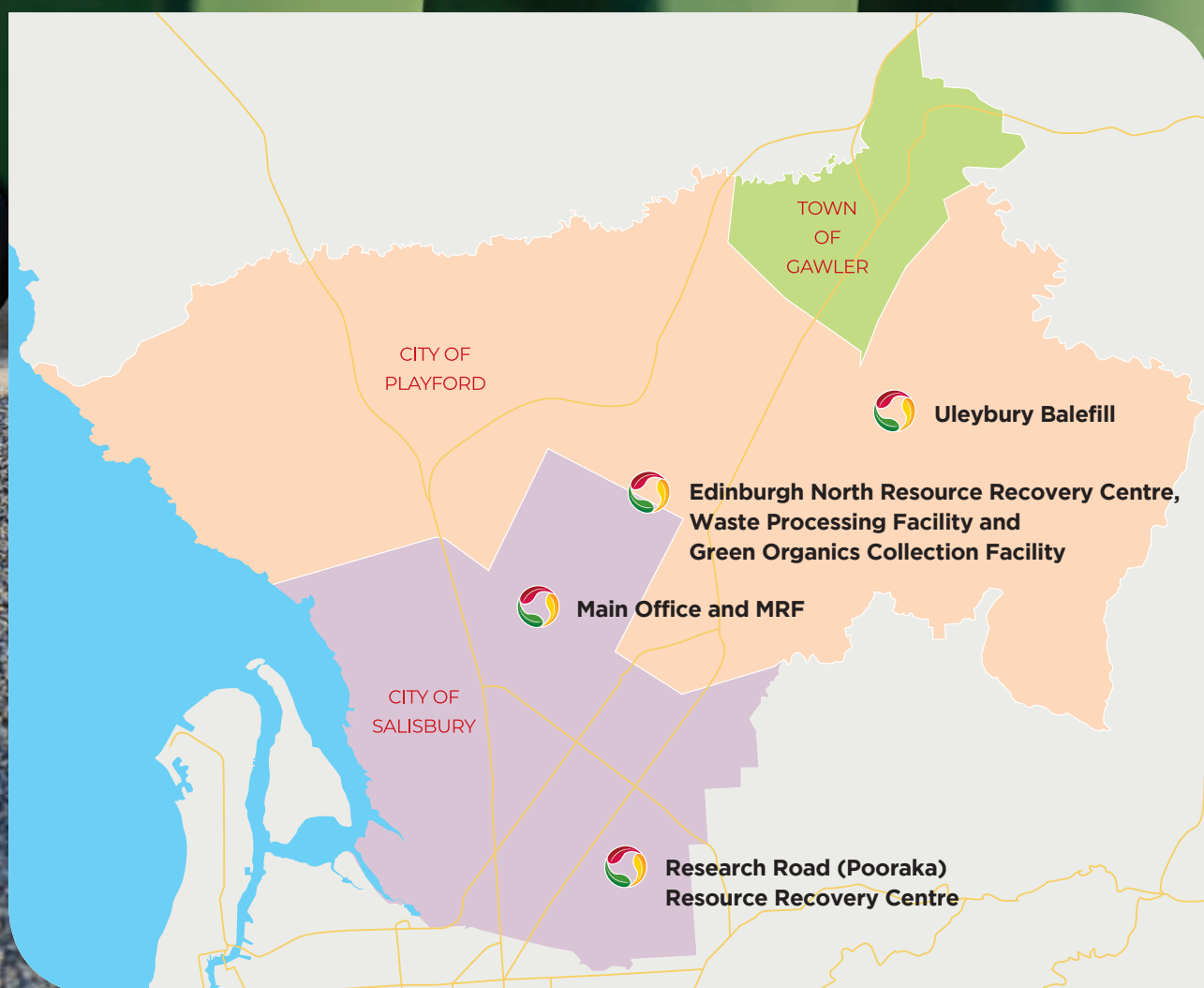
In closing I would like to thank the NAWMA Board, Audit Committee, Technical Working Group, for their governance and leadership, and I would personally like to acknowledge the support provided by the Constituent Council Chief Executive Officers.

Lastly (but not least!) I give my resolute thanks to our team at NAWMA.



Adam Faulkner
Chief Executive Officer

NAWMA's Northern Area Services Map



NAWMA

Governance

NAWMA is administered by a Board in accordance with the requirements of the Local Government Act (1999), the NAWMA Charter and various other policies. The Board are responsible for the overall governance, management and strategic direction of the Authority.

The Board meets bi-monthly and drives organisational performance to deliver efficient, best practice service and facilities to our Constituent Councils.

As defined by the NAWMA Charter, the membership of the Board comprises of ten (10) Directors -three Directors appointed by each of the Constituent Councils, and one independent person appointed by the Board who acts as Chair. The Board appoints a Chief Executive Officer who is responsible for implementing the decisions made by the Board and the day to day operations of the Authority.

The Board held four formal meetings over the 2018-2019 financial year. Due to the Local Government elections in late 2018 and the implications upon Board Director term expiry dates, the NAWMA Board was inactive between October and December 2018. Unfortunately, a quorum was not reached for the scheduled January 2019 meeting.

The table below details Board Member attendance at the four (4) meetings. Several other matters were resolved by Circular Resolutions out of Board Meeting frequency.



Mr Brian Cunningham
Independent Chair
4 of 4 meetings



Mr Sam Green
City of Playford
4 of 4 meetings



Cr Shirley Halls
City of Playford
4 of 4 meetings



Ms Grace Pelle
City of Playford
2 of 3 meetings¹



Mr Charles Mansueto
City of Salisbury
3 of 4 meetings



Cr Julie Woodman
City of Salisbury
4 of 4 meetings



Cr Graham Reynolds
City of Salisbury
3 of 3 meetings²



Mr Henry Inat
Town of Gawler
3 of 4 meetings



Cr Paul Koch
Town of Gawler
4 of 4 meetings



Cr Paul Little
Town of Gawler
2 of 3 meetings²

Board Member		Meetings
Cr Clint Marsh	City of Playford	1 of 1 [#]
Cr David Balaza	City of Salisbury	1 of 1 ³
Cr Marilyn Nicolson	Town of Gawler	0 of 1 ³
Cr Diane Fraser	Town of Gawler	1 of 2 [#]

¹ Elected to Board February 2019

² Elected to Board November 2018

³ Board term completed November 2018

[#] Deputy Board Directors only attend meetings as required

Audit

In accordance with the requirements of the Local Government Act (1999), NAWMA has an established Audit Committee.

The functions of the Committee include:

- Monitoring the integrity of the financial statements of NAWMA, including its annual report, reviewing significant financial reporting issues and judgements which they contain;
- Reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of NAWMA on a regular basis; and

- Reviewing and providing recommendations to NAWMA on the sustainability of its financial performance and proposals with respect to debt levels included in the strategic management plans and, in particular, the long-term financial plan.

The membership of the Audit Committee consists of six (6) members, three (3) members who are independent members (including the Chair), two (2) members who are NAWMA Board Directors, and the NAWMA Board Chair as an Ex-Officio member.

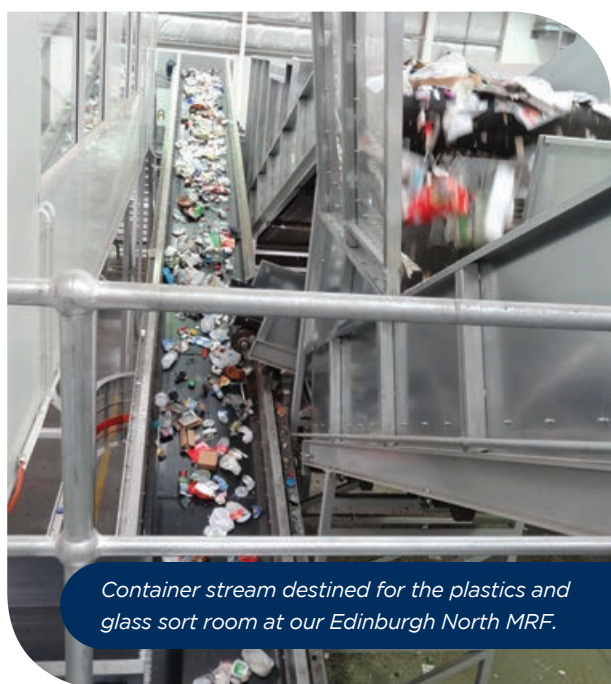
The Audit Committee held five (5) formal meetings over the 2018-2019 financial year including one (1) joint meeting with the NAWMA Board. The table below details Audit Committee Member attendance at these meetings:

Board Member		Meetings
Mr Peter Brass	Independent Chair	5 of 5
Mr Mark McAllister	Independent Member	4 of 5
Mr Mark Labaz	Independent Member	5 of 5
Mr Charles Mansueto	Board Director	3 of 3 ¹
Cr Graham Reynolds	Board Director	2 of 2 ²
Mr Brian Cunningham	Ex-Officio Member	4 of 5

1 Elected to Audit Committee February 2019

2 Elected to Audit Committee May 2019

The Audited Financial Statements for the year ended 30 June 2018 are provided from page 21.



Container stream destined for the plastics and glass sort room at our Edinburgh North MRF.

Technical Working Group

NAWMA's Technical Working Group (TWG), comprised of an Executive from each Constituent Council, meets ad-hoc to discuss any operational or strategic matter that has arisen for the Authority.

The TWG provide guidance and advice to NAWMA's Management and throughout 2018-2019 have been instrumental in implementing a number of the Authority's major achievements, particularly the Strategic Plan 2018-2025.

The membership of the Technical Working Group is based upon skillset, and various Constituent Council Executives are called upon determined by the matters at hand.

Resource Recovery

Resource Recovery Centres



NAWMA operates two Resource Recovery Centres (RRCs) within the northern community, which are open to the public seven days a week.

NAWMA's Edinburgh North Resource Recovery Centre continues to provide a number of important resource recovery services. The facility houses:

- A drive-through undercover Resource Recovery Centre for materials recovery,
- A Salvage and Save retail outlet operated by Mobo Group in association with NAWMA, with this outlet providing employment for the community and reuse of valuable household resources; and
- A recycling service for bottles and cans operated by Scouts SA.

Working in conjunction with Green Industries South Australia (GISA), a household chemical and paint drop-off area will open at this site in September 2019. The site will be open to all South Australian residents and will increase options for disposal of household volumes of chemical material and paint. The free service will operate seven days a week.

In addition to the Edinburgh North Resource Recovery Centre, NAWMA took over management of the Pooraka Resource Recovery Centre that was historically managed by City of Salisbury on 2 July 2019. The change in management has provided an opportunity for consistent messaging and harmonised pricing structures for both of NAWMA's

Resource Recovery Centres. This facility houses a drive through undercover Resource Recovery Centre and is earmarked for an upgrade during the 2019/20 financial year.

NAWMA has spent considerable time this year sourcing options for further resource recovery to avoid waste to landfill. In addition to existing items, both the Edinburgh North RRC and the Pooraka RRC are now able to accept globes, fluorescent tubes, batteries, x-rays and paint for recovery.

Following are details of combined operations of the two Resource Recovery Centres for the year ended 30 June 2019:

- Over 90,000 customers accessed the facilities delivering green waste and general waste,
- Over 7,500 tonnes of material was transported to SUEZ-ResourceCo for processing into Refuse Derived Fuel (RDF),
- Over 3,000 mattresses were recovered and recycled,
- Over 2,400 tyres were collected and recycled; and
- Over 120,000 litres of paint was disposed of safely.

Each Year **NAWMA...**



Delivers services to
more than

100,000

households within
the Cities of Salisbury
and Playford and the
Town of Gawler



Generates

11,000

MWh of electricity to
power 1,900 SA homes
from Australia's first landfill
gas and solar power plant
at a landfill site



Recovers

37,000

tonnes of organic
material which is sent
for composting in South
Australia



Processes

86,000

tonnes of landfill material



Provides
employment
for nearly

80

people



Sorts

55,000

tonnes of recyclables



Provides more than

16,000

hard-waste services

Resource Recovery Material Recovery Facility (MRF)

NAWMA houses the only local government owned and operated Material Recovery Facility (MRF) in South Australia, and one of few in Australia.

Our world-class, best practice facility sorted more than 50,000 tonnes of kerbside recyclables during the 2018-2019 meaning NAWMA was able to produce high quality finished goods such as paper, plastics, glass, aluminium and steel. These products were marketed locally, interstate and internationally.

Economically, the MRF provided a significant revenue stream for NAWMA's Constituent Councils, while reducing exposure to the commercial recycling industry. At a time when the recycling industry was severely challenged, a two-shift five-workday team of 22 sorters per shift, processed kerbside recyclables from NAWMA's Constituent Councils, in addition to material from more than 28 Councils from both metropolitan and regional South Australia.

Everyday trucks from NSW come to Adelaide to deliver paper-rolls that make the Messenger and Advertiser newspapers and return empty.

As part of the new deal, these trucks collect paper sorted from yellow-lid recycling bins at NAWMA's Edinburgh MRF, which handles up to 60 tonnes of paper per day.

The recovered paper is transported to NSW to recycle into new packaging and paper-rolls, which are brought back to Adelaide as part of the trucks' regular run. To ensure the high quality of paper required by the mill, NAWMA invested in a state-of-the-art baler to help bale separated cardboard from the paper stream.



NAWMA is the first local government jurisdiction in Australia to make the commitment to 100% onshore recyclables secondary reprocessing by 2020. This places NAWMA, its Constituent Councils and partner Councils at the forefront of driving the circular economy and sustainable procurement agenda.

NAWMA has already signed multi-year supply agreements with domestic South Australian processors for recovered steel, aluminium, glass and container deposit PET.

One of our biggest achievements of the 2018-2019 year was the signing of a supply agreement with an Australian paper mill in September 2018.

The initiative has several positive aspects including:

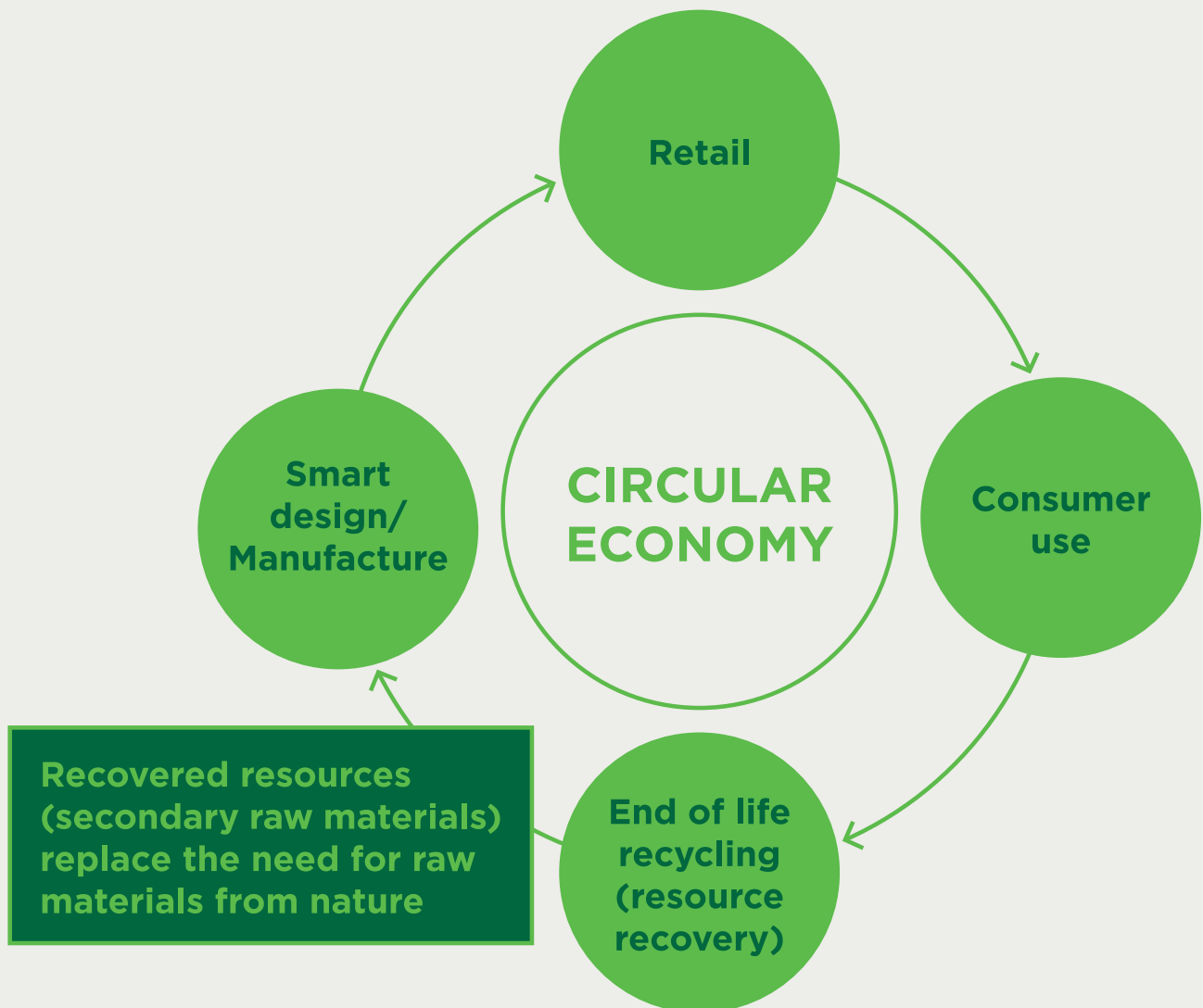
- extending the useful life of a valuable resource (paper), meaning less trees are destroyed for paper manufacture
- creating new jobs at NAWMA's Edinburgh MRF
- reducing greenhouse gas emissions associated with transport as resources are kept in Australia for processing, not sent overseas.

The commitment to local jobs, remanufacturing and the push to a circular economy is a credit to NAWMA's Technical Working Group, Board and Constituent Councils.

Circular Economy

Landfills Of The Future

**Will we need landfills in the future?
At this stage yes, but eventually they
may be very different.**



By emulating the earth's natural systems, global economic development can be separated from finite resource consumption.

Ultimately, this means little to no waste is generated when items are manufactured using smart design and components are reused efficiently.

One of NAWMA's Guiding Principles is circular economy practices.

Our aim is to extract the maximum value from discarded items and support the local processing of recovered materials.

If we change our current practices so that we save and reuse resources, rather than throwing them away, the future of landfills might be very different. **Indeed, as with nature, there might be no landfills at all...**

Resource Recovery

Food and Garden Organics

NAWMA's Food and Garden Organics (FOGO) collection is an opt-in service for the residents of our three Constituent Councils. The service continues to grow in popularity with more than 63,000 FOGO bins currently in service, with an overall participation rate of almost 64%.




The kerbside collected organic material is transported to our Edinburgh North facility by Suez (NAWMA's kerbside collection contractor) using side-loader vehicles, specifically designed for the kerbside collection of bins.

The material is stored short-term, undercover at this location before being bulk-hauled by sealed vehicles to one of Peats Soils and Garden Supplies facilities. The material is processed by Peats into mulch and compost products.

Many of these products are used in large-scale operations such as vineyards and market gardens.

This financial year Peats processed more than 20,000 tonnes of kerbside collected material with another 6,000 tonnes of material sent for processing via NAWMA's Resource Recovery Centres.

The following table outlines the kerbside tonnes collected and diverted from landfill for the 2018/2019 financial year:

	 Waste	 Recycling	 FOGO	TOTAL	Diversion
Playford	18,652	6,803	5,054	30,509	39%
Salisbury	29,957	10,137	13,617	53,711	44%
Gawler	5,241	1,785	2,071	9,097	42%
Total (Tonnes)	53,850	18,725	20,742	93,317	42%



Food and Garden Organics disposal at our Edinburgh North site.

NAWMA

Hard Waste Service Education

HARD WASTE SERVICE

GET RID OF THINGS
THAT YOU DON'T NEED
FOR FREE



To find out more, call NAWMA on 8259 2100
and speak to someone about HARD WASTE



MAKING
HARD
WASTE
EASY!



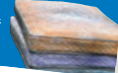
MORE SERVICE.
MORE CHOICE.

HARD WASTE SERVICE

2 FREE PER FINANCIAL YEAR



Drop off material at:
 Resource Recovery Centre (Public Waste Transfer Station)
 Open Monday to Friday 8am - 4pm - Weekends 9am - 3pm.
 Or:
 63 - 75 Research Road, Pooraka
 Open 8am - 4pm 7 days a week.
 Note: both sites are closed New Year's Day, Good Friday, Anzac Day and Christmas Day.



HARD WASTE SERVICE

آیا می دانستید شما می توانید به طور
مجانی از دست وسایلی که دیگر لازم
ندارید خلاص شوید؟



برای اطلاعات و معلومات بیشتر با اداره ناورما (NAWMA) 8259 2100 تماس
گرفته و با آنها درباره Hard Waste (هارد ویست) صحبت کنید.



HARD WASTE SERVICE

उन वस्तुओं का निपटान
मुफ्त में करें जिनकी
आपको ज़रूरत नहीं है।



और अधिक जानकारी के लिए, NAWMA को 8259 2100 पर
फोन करें और Hard Waste के बारे में निम्नी से बात करें।



HARD WASTE SERVICE

免费
处理您不需要的物件



详细情况, 请致电 NAWMA (8259 2100)
要求了解有关 HARD WASTE 的信息。



Resource Recovery

Hard Waste Service



1,970
tonnes of hard waste
and 5,000 mattresses
were collected in
2018-19



NAWMA continued to operate the hard waste collection services for both City of Salisbury and City of Playford during the 2018/2019 financial year. An efficiency overhaul of the hard waste system was implemented on 1 July 2019 with residents now able to utilise an at-call hard waste collection service.

This revitalised system replaced the historic suburb-by-suburb basis approach used in prior years. The new at-call collection service provides a reduction in wait time and allows residents to have their hard waste collected at a time convenient to their needs. The change in service has proved popular with the service accessed by over 19,000 residents across the two Councils, almost a 25% increase to the previous financial year.

The improved service level for collections was rolled out at the same time as another efficiency, the SMS message drop-off system for hard waste drop-offs. The SMS message voucher system is a real time system that allows residents to be sent a unique voucher number while on the phone to the NAWMA Customer Service Team. This SMS message can then be presented at either of the two Resource Recovery Centres to redeem the voucher service. The change in this system means the resident no longer has to have a physical voucher mailed or collected, providing more convenience. Over 9,000 vouchers were redeemed in 2018-2019.

Material collected as part of the two (2) hard waste services also provides employment benefits for the broader community. Examples of this include:

- E-waste recovered is recycled via E Cycle SA, one of the first e-waste recycling companies operating in Australia

- Metal recovered is recycled via Sims Recycling
- Mattresses recovered are recycled by a small local company, collecting re-usable material from each mattress collected with any non-recoverable material going to an alternative Energy from Waste facility
- Residual material recovered via the voucher system is recycled where possible with any residual being sent to an alternative fuels facility

In conjunction with NAWMA, the 2018-2019 year saw Town of Gawler undertake a hard waste service trial with a selected group of residents.

The 2019-2020 year will see all residents of Town of Gawler having access to this service.

In 2018-2019 a total of 1,970 tonnes of hard waste was collected, in addition to over 5,000 mattresses.

NAWMA also implemented a new free trailer-hire service for residents of the Cities of Playford and Salisbury who have hard waste items to recycle but no access to their own trailer.


Residents can borrow a 6x4 caged trailer from either of NAWMA's two Resource Recovery Centres to transport hard waste as part of their drop-off service.

This service was used more than 100 times in its first six months.



Uleybury Landfill

Responsible Landfill Management



The Uleybury landfill is owned and operated by the Northern Adelaide Waste Management Authority (NAWMA). It is situated on the site of a former quartzite quarry and has been in use since 2005.

It is a best-practice landfill (balefill) operation with strict adherence to monitoring and controls, which protect the surrounding environment.



NAWMA's Uleybury Balefill and Renewable Energy Park is the first combined solar – landfill gas farm of its type in Australia and continues to generate power for the local community using over 11,000 solar panels and gas extracted from 18 vertical wells and a network of horizontal wells in the active cell area. NAWMA, with its South Australian partner Joule Energy, has committed to turning a once untapped waste product into a resource.



The following outlines the power generation and gas consumption during the financial year:

- Over 1.8M kilowatt hours of power exported to the power network from solar panels,
- Solar power run time peaking during the month of November 2018 with 460 run hours,
- Over 7M kilowatt hours of power exported via the gas generation engine,
- Over 4.4M m3 of landfill gas used as energy to power gas engine; and
- The accumulated total power generation close to 9M kilowatt hours.

The Balefill Management Consultative Committee (BMCC), chaired during the year by Cr Paul Koch (Town of Gawler) and most recently Cr Paul Little (Town of Gawler), continues to meet bi-monthly. The Committee provides nearby residents, Council, the EPA and NAWMA the opportunity to discuss topics relating to the site and its operations.

Meeting minutes and supporting documents are distributed to nearby residents and Council.

Following the removal of valuable resources from the waste stream, 79,000 tonnes were deposited to the Uleybury Balefill and Renewable Energy Park in 2018-2019. Almost 74,000 of these tonnes were processed and baled at NAWMA's Edinburgh North Waste Processing Facility (WPF). The site bales the material and transports it to Uleybury, with over 200 bales transported on average per day.

In March 2019 NAWMA was presented a prestigious national award for its visionary management of the Uleybury Balefill and Renewable Energy Park. Judges from the Waste Management and Resource Recovery Association of Australia (WMRR) acknowledged the site as a world-class landfill with pioneering developments.

Placement of bales in Cell 3 (the final cell) started in 2016 with the revegetation of the site (Cells 1 and 2) well underway.

New Website Launched September 2018



NAWMA's Education and Customer Service



In 2018/19, NAWMA continued to develop its newly branded suite of community education resources. Information to the community also occurred via different channels including Constituent Council Facebook pages, adverts in local media and posters in local community centres and libraries.

The NAWMA website was launched in September 2018 and provides up-to-date information on all of NAWMA's operations and services as well as a range of options for booking services online. As at June 2019, the website was receiving almost 10,000 visits per month. NAWMA also made bin collection reminders and recycling tips available via the free My Local Services app.

Residents from NAWMA's Constituent Councils continued to visit NAWMA's facilities to see operations firsthand. These tours and many face-to-face presentations to community groups enabled participants to gain a better understanding of NAWMA's goals and commitments as well as services that are available to them.

Plans are in place to further engage with the community through the development of a corporate video and the creation of an education facility.

NAWMA's Customer Service Team (CST) continued to grow as operations expanded. This year NAWMA

introduced a Team Leader Administration to oversee the functions of the CST and the team now consists of 5.6 full-time equivalent employees. Casual employees attend to residents who visit the Resource Recovery Centres on weekends.

The team responds to all resident and Council enquiries ranging from missed bins, bins requiring repair or replacement, recycling tips and the hard waste collection and drop-off services. The team were instrumental in the successful implementation of the change to the hard waste service frequency and the SMS message hard waste drop-off system.

In the 2019/2020 year, the CST will aim to implement a new Customer Relationship Management (CRM) program to enable NAWMA to form a history with its residents and better tailor the specific resource recovery services required.

Positive relationships with residents are at the forefront of NAWMA's operations to ensure efficient and effective Customer Service.



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Gawler





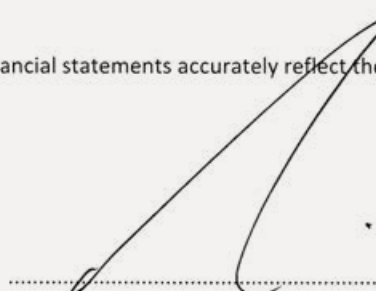
NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

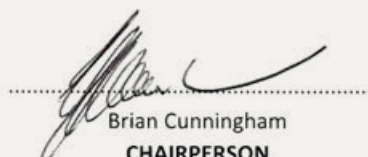
CERTIFICATION OF FINANCIAL STATEMENTS

I have been authorised by Northern Adelaide Waste Management Authority to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



Adam Faulkner
CHIEF EXECUTIVE OFFICER



Brian Cunningham
CHAIRPERSON

Date: 19 September 2019



STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
INCOME			
User charges	2	33,758	29,026
Investment income	2	209	108
Reimbursements	2	67	77
Other	2	-	131
Total Income		34,034	29,342
EXPENSES			
Employee costs	3	2,753	2,191
Materials, contracts & other expenses	3	29,756	25,524
Finance costs	3	351	373
Depreciation, amortisation & impairment	3	1,394	1,449
Total Expenses		34,254	29,537
OPERATING SURPLUS / (DEFICIT)		(220)	(195)
transfer to Equity Statement			
Asset disposal & fair value adjustments	3	(9)	(1)
Amounts received specifically for new/upgraded assets		233	115
NET SURPLUS / (DEFICIT)		4	(81)
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	45
Total Other Comprehensive Income		-	45
TOTAL COMPREHENSIVE INCOME		4	(36)

This Statement is to be read in conjunction with the attached Notes.



STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,613	1,061
Trade & other receivables	4	3,172	2,689
Stock on Hand		64	49
Total Current Assets		5,849	3,799
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	14,709	15,567
Financial Assets	5	-	1,018
Total Non-current Assets		14,709	16,585
Total Assets		20,558	20,384
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	3,410	2,271
Provisions	7	191	263
Borrowings	7	1,186	1,079
Total Current Liabilities		4,787	3,613
Non-Current Liabilities			
Borrowings	7	6,318	7,415
Provisions	7	2,698	2,605
Total Non-current Liabilities		9,016	10,020
Total Liabilities		13,803	13,633
NET ASSETS		6,755	6,751
EQUITY			
Accumulated Surplus		6,095	6,091
Asset Revaluation Reserve		660	660
TOTAL EQUITY		6,755	6,751

This Statement is to be read in conjunction with the attached Notes.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
2019			
\$'000			
Balance at end of previous reporting period	6,091	660	6,751
Net Surplus/ (Deficit) for Year	4	-	4
Other Comprehensive Income			
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period	6,095	660	6,755

	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
2018			
\$'000			
Balance at end of previous reporting period	6,172	615	6,787
Net Surplus/ (Deficit) for Year	(81)	-	(81)
Other Comprehensive Income			
Gain on revaluation of infrastructure, property, plant & equipment	-	45	45
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period	6,091	660	6,751

This Statement is to be read in conjunction with the attached Notes.



STATEMENT OF CASH FLOWS

for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating receipts		33,342	28,933
Investment receipts		209	108
Payments			
Operating payments to suppliers & employees		(31,429)	(28,338)
Finance payments		(351)	(323)
Net Cash provided by (or used in) Operating Activities	8	1,771	380
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		233	115
Disposal of Investments		1,018	-
Sale of surplus assets		-	5
Payments			
Expenditure on new/upgraded assets		(480)	(6,075)
Purchase of Investments		-	(1,018)
Net Cash provided by (or used in) Investing Activities		771	(6,973)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings		-	4,454
Payments			
Repayments of Borrowings		(990)	(1,082)
Net Cash provided by (or used in) Financing Activities		(990)	3,372
Net Increase (Decrease) in cash held		1,552	(3,221)
Cash & cash equivalents at beginning of period	8	1,061	4,282
Cash & cash equivalents at end of period	8	2,613	1,061

This Statement is to be read in conjunction with the attached Notes.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of City of Salisbury, City of Playford and the Town of Gawler.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards which requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

Northern Adelaide Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the SA Local Government Act 1999 and Section 25 of the Local Government Implementation Act, and has its principal place of business at Woomera Avenue, Edinburgh Park SA 5111.

These financial statements have been prepared for use by the Constituent Councils of the Authority.

3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

5 Infrastructure, Property, Plant & Equipment

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land.

5.3 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

5.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

Plant, Furniture & Equipment	5 to 10 years
Buildings	30 years
Infrastructure:	
Waste Facility	10 to 20 years
Landfill Construction	Amortised proportionately to rate of filling

5.5 Land Assets

As at 30 June 2018, an independent valuation was undertaken on all Land and Building assets held by the Authority. The independent valuation was undertaken by AssetVal Pty Ltd and valued land and building assets to the current market value.

Given the material value of Land and Building assets subsequent to the valuation performed, Land and Building assets are shown as a separate class of asset and disclosed accordingly in Note 6.

5.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received.

Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as the Authority's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2017/18; 9.5% in 2016/17). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent full actuarial investigation conducted by the Scheme's actuary, , Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

8 Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet.

An independent assessment of the Authority's landfill capping and post closure rehabilitation obligations was undertaken by Golder Associates Pty Ltd as at 30 June 2018.

The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified. The next independent review is to be undertaken in 2019/20.

9 Leases

Lease arrangements have been accounted for in accordance with AASB 117.

In respect of finance leases, where the Authority substantially carries all the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets.

Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

10 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

11 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

12 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

13 New Accounting Standards

In the current year, the Authority adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. Certain new accounting standards have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

The Authority believes that the introduction of AASB 16 Leases will have a material impact on the future reported financial performance and position. It is estimated that a Right-of-Use Asset and equivalent Lease Liability of \$5.757 million will be recorded as at 1 July 2019. As a result of the introduction of AASB 16, it is estimated that Operating Expenses will increase by an estimated \$0.25 - \$0.3 million in FY2020 to account for the different accounting treatment of its operating leases compared to the current adopted policies of the Authority.

Given the nature and terms of the Authority's contracts and services it provides to its customers, the introduction of AASB 15 Revenue from Contracts is not assessed as having any impact on existing accounting policies given there is no deferral of revenues nor ongoing specific performance obligations which need to be met. As the Authority is a not-for-profit, AASB 1058 is applicable as from 1 July 2019, however, given the nature of the operations it is not expected to have an impact on the existing accounting policies of the Authority.

14 Stock on Hand

The Authority records stock on hand as at reporting date to reflect the value of stockpiled recycled finished goods held. The value attributed to stock items is based on the expected sale price of goods held based on existing contract rates held with customers and/or public market rates, whichever is applicable.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 2 - INCOME

	Notes	2019 \$'000	2018 \$'000
USER CHARGES			
Waste Management Operations		33,758	29,026
		<u>33,758</u>	<u>29,026</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		39	44
Rental income		170	64
		<u>209</u>	<u>108</u>
REIMBURSEMENTS			
Reimbursement		-	11
Fuel Tax Credit Reimbursements		67	66
		<u>67</u>	<u>77</u>
OTHER INCOME			
Promotional Income		-	131
		<u>-</u>	<u>131</u>

Note 3 - EXPENSES

EMPLOYEE COSTS

Salaries and Wages	2,362	1,663
Employee leave expense	4	70
Superannuation	214	166
Workers' Compensation Insurance	31	72
Allowances	-	20
Other	142	200
Total Operating Employee Costs	<u>2,753</u>	<u>2,191</u>

MATERIALS, CONTRACTS & OTHER EXPENSES

Prescribed Expenses		
Auditor's Remuneration		
- Auditing the financial reports	18	16
- Other Services	-	5
Bad and Doubtful Debts	-	32
Lease costs	1,378	1,083
Subtotal - Prescribed Expenses	<u>1,396</u>	<u>1,136</u>
Other Materials, Contracts & Expenses		
Promotions	22	125
Bank Fees	33	19
Landfill Royalty	213	226
Contractors	18,535	15,618
Electricity	266	225
Environmental Protection Agency Levy	7,818	6,847
Fuels & Oils	281	179
Professional services	279	466
Waste Recycle Bins	360	242
Administration & Other Expenses	553	441
Subtotal - Other Materials, Contracts & Expenses	<u>28,360</u>	<u>24,388</u>
	<u>29,756</u>	<u>25,524</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 3 - EXPENSES (cont)

	Notes	2019 \$'000	2018 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Waste Processing Facility		222	167
Uleybury Landfill Plant & Equipment		29	28
Education Program Plant & Equipment		1	1
Office Furniture & Equipment		28	18
Property & Improvements		15	15
Landfill Cell Stage Three		297	409
Landfill Capping Stage Three		119	71
Post Closure Rehabilitation		71	147
Buildings		130	120
Material Recovery Facility		482	341
Impairment - Buildings		-	132
		1,394	1,449
FINANCE COSTS			
Interest on Loans and Overdraft		351	373
		351	373
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Assets renewed or directly replaced			
Proceeds from disposal		-	5
Less: Carrying amount of assets sold		(9)	(6)
		(9)	(1)
Gain (Loss) on disposal			
		(9)	(1)
Note 4 - CURRENT ASSETS			
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		1,552	725
Deposits at Call		1,061	336
		2,613	1,061
TRADE & OTHER RECEIVABLES			
Debtors - general		3,025	2,701
Less: Provision for Doubtful Debts		-	(32)
Accrued Revenues		147	6
Prepaid Expenses		-	14
		3,172	2,689
Note 5 - OTHER FINANCIAL ASSETS			
FINANCIAL ASSETS			
		-	1,018
Term Deposit		-	1,018



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (Cont)

	2018 \$'000				2019 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	1,776	-	-	1,776	1,776	-	-	1,776
Waste Processing Facility	-	3,124	(1,380)	1,744	-	3,269	(1,597)	1,672
Uleybury Landfill Plant & Equipment	-	2,100	(1,969)	131	-	2,125	(1,994)	131
Education Program Plant & Equipment	-	50	(44)	6	-	34	(30)	4
Office Furniture & Equipment	-	126	(67)	59	-	177	(65)	112
Property & Improvements	-	1,594	(1,474)	120	-	1,605	(1,490)	115
Landfill Cell Stage One	-	-	-	-	-	-	-	-
Landfill Cell Stage Two	-	-	-	-	-	-	-	-
Landfill Capping Stage One	-	-	-	-	-	-	-	-
Landfill Capping Stage Two	-	-	-	-	-	-	-	-
Landfill Cell Stage Three	-	3,084	(840)	2,244	-	3,084	(1,137)	1,947
Landfill Capping Stage Three	-	1,024	(146)	878	-	1,050	(265)	785
Post Closure Rehabilitation	-	1,553	(1,054)	499	-	1,591	(1,125)	466
Buildings	3,285	247	(108)	3,424	3,285	247	(238)	3,294
Mobile Garbage Bins	-	-	-	-	-	-	-	-
Material Recovery Facility	-	4,679	(341)	4,338	-	5,178	(823)	4,355
WIP	-	348	-	348	-	52	-	52
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	5,061	17,929	(7,423)	15,567	5,061	18,412	(8,764)	14,709
Comparatives	875	25,950	(16,102)	10,723	5,061	17,929	(7,423)	15,567

This Note continues on the following pages.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (Cont)

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR						2019
	\$'000	\$'000						\$'000
	CARRYING AMOUNT	ADDITIONS		Disposal	Transfer	Revaluation	Depreciation	CARRYING AMOUNT
Capital		New/Upgrade						
Land	1,776	-	-	-	-	-	-	1,776
Waste Processing Facility	1,744	-	154	(4)	-	-	(222)	1,672
Uleybury Landfill Plant & Equipment	131	-	30	(1)	-	-	(29)	131
Education Program Plant & Equipment	6	-	-	(1)	-	-	(1)	4
Office Furniture & Equipment	59	-	84	(3)	-	-	(28)	112
Property & Improvements	120	-	10	-	-	-	(15)	115
Landfill Cell Stage Three	2,244	-	-	-	-	-	(297)	1,947
Landfill Capping Stage Three	878	26	-	-	-	-	(119)	785
Post Closure Rehabilitation	499	38	-	-	-	-	(71)	466
Buildings	3,424	-	-	-	-	-	(130)	3,294
Material Recovery Facility	4,338	-	499	-	-	-	(482)	4,355
WIP	348	-	-	-	(296)	-	-	52
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	15,567	64	777	(9)	296	-	(1,394)	14,709
2018 Totals	10,723	-	16,119	(6)	(10,042)	90	(1,317)	15,567



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 7 - LIABILITIES

		2019		2018	
		\$'000		\$'000	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		2,263	-	1,917	-
Accrued expenses - other		1,147	-	354	-
		3,410	-	2,271	-
BORROWINGS					
Loans		1,186	6,318	1,079	7,415
		1,186	6,318	1,079	7,415
PROVISIONS					
Annual Leave		147	-	147	-
Long Service Leave		44	74	116	46
Provision for Capping Stage 3A		-	1,050	-	1,024
Provision for Post Closure Site Rehabilitation		-	1,574	-	1,535
		191	2,698	263	2,605

Movements in Provisions - 2019 year only
(current & non-current)

	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Payments	Closing Balance
Provision for Capping Stage 3A	1,024	26	-	1,050
Post Closure Site Rehabilitation	1,535	39	-	1,574
Total	2,559	65	-	2,624

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	Notes	2019 \$'000	2018 \$'000
Total cash & equivalent assets	4	2,613	1,061
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		2,613	1,061

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	4	(81)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,394	1,449
(Gain) / Loss on Disposal	9	(1)
Grants for capital acquisitions treated as Investing Activities	(233)	(115)
Bad Debts Expense	-	29
	1,174	1,281
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(483)	(252)
Net (increase) decrease in inventory	(15)	(49)
Net increase (decrease) in trade & other payables	1,139	(497)
Net increase (decrease) in other provisions	(44)	(103)
Net Cash provided by (or used in) operations	1,771	380

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	-	-
- Non-cash grants & contributions	-	-

Amounts recognised in Income Statement

- Finance Leases	-	-
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Total Non-Cash Financing and Investing Activities

-	-
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(d) Financing Arrangements

Corporate Credit Cards	15	15
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The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 1% (2018: 1.5%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Gate Fees & Associated Charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 9 - FINANCIAL INSTRUMENTS (Cont)

2019	Floating Interest Rate \$'000	Fixed interest maturing in ≤ year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial Assets						
Amortised Cost						
Cash Assets	1,552	1,061	-	-	-	2,613
Receivables	-	-	-	-	3,172	3,172
Total	1,552	1,061	-	-	3,172	5,785

Financial Liabilities

Payables	-	-	-	-	3,410	3,410
Current Borrowings	-	1,186	-	-	-	1,186
Non-Current Borrowings	-	-	4,977	1,341	-	6,318
Total	-	1,186	4,977	1,341	3,410	10,914

**EXCESS OF FINANCIAL
ASSETS OVER LIABILITIES**

1,552	(125)	(4,977)	(1,341)	(238)	(5,129)
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2018	Floating Interest Rate \$'000	Fixed interest maturing in ≤ year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial Assets						
Amortised Cost						
Cash Assets	725	336	1,018	-	-	2,079
Receivables	-	-	-	-	2,689	2,689
Total	725	336	1,018	-	2,689	4,768

Financial Liabilities

Payables	-	-	-	-	2,271	2,271
Current Borrowings	-	1,079	-	-	-	1,079
Non-Current Borrowings	-	-	4,987	2,428	-	7,415
Total	-	1,079	4,987	2,428	2,271	10,765

**EXCESS OF FINANCIAL
ASSETS OVER LIABILITIES**

725	(743)	(3,969)	(2,428)	418	(5,997)
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 10 - COMMITMENTS FOR EXPENDITURE

	Notes	2019 \$'000	2018 \$'000
Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		15	30
Waste Collection, Processing and Mobile Garbage Bin			
Supply Contracts		80,696	82,268
		80,711	82,298
These expenditures are payable:			
Not later than one year		14,049	14,766
Later than one year and not later than 5 years		56,136	56,300
Later than 5 years		10,526	11,232
		80,711	82,298

The Authority manages multiple external contracts with external suppliers for the collection, processing and disposal of waste on behalf of its Constituent Councils and customers. The commitments disclosed above reflect a consolidation of multiple contracts entered into with external suppliers. In future years, all contracts will be required to be renewed with external suppliers in accordance with adopted procurement policies and procedures of the Authority.

Note 11 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events that occurred after reporting date that requires to be disclosed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

Note 12 - OPERATING LEASES

Lease payment commitments of Authority

No contingent rentals were paid during the current or previous reporting periods. No lease imposes any additional restrictions on the Authority in relation to additional debt or further leasing.

No lease contains any escalation clause. Commitments under non-cancellable operating leases that have not been.

	Notes	2019 \$'000	2018 \$'000
Not later than one year		1,035	1,075
Later than one year and not later than 5 years		2,620	3,326
Later than 5 years		3,004	482
		6,659	4,883

Note 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the Local Government Act 1999. In all, 6 persons were paid the following total compensation:

	2019 \$'000	2018 \$'000
Salaries, allowances & other short term benefits	803	764
Long term benefits	59	105
TOTAL	862	869

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Salisbury	12,221	1,096	Provision of waste collection, processing and disposal services
City of Playford	7,828	691	Provision of waste collection, processing and disposal services
Town of Gawler	2,029	179	Provision of waste collection, processing and disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 4. The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 14 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. POTENTIAL INSURANCE LOSSES

The Authority insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

The Authority has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to the Authority may have existed at reporting date.

2. LEGAL EXPENSES

All known costs have been recognised.

3. PERFORMANCE BONDS/GUARANTEES

The Authority has a performance bond/guarantee held with the Local Government Finance Authority to the Environment Protection Authority for an amount of \$1,350,000 in accordance with the requirements under its Post Closure remediation obligations for the Uleybury Landfill site.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 15 - FAIR VALUE MEASUREMENTS

The Authority measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land assets
- Building assets
- Stock on Hand

The Authority does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Authority selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- Market approach: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- Income approach: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- Cost approach: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Authority gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 15 - FAIR VALUE MEASUREMENTS (Cont)

The following tables provide the fair values of the Authority's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Notes	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2019					
(\$'000)					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	6	-	1,776	-	1,776
- Buildings	6	-	3,285	-	3,285
- Stock on Hand		64	-	-	64
Total financial assets recognised at fair value		64	5,061	-	5,125

2018
(\$'000)

Recurring fair value measurements

Infrastructure, Property, Plant & Equipment

- Land	6	-	1,776	-	1,776
- Buildings	6	-	3,285	-	3,285
- Stock on Hand		49	-	-	49
Total financial assets recognised at fair value		49	5,061	-	5,110

(b) Disclosed fair value measurements

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the techniques used to measure the value of items disclosed in the financial statements.	1	Market	Based on expected sale price of goods based on existing contract prices.
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements.



NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

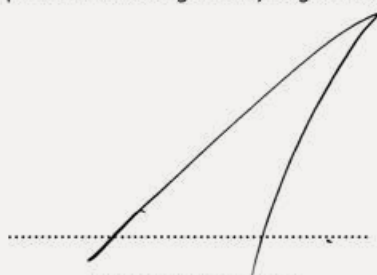
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2019

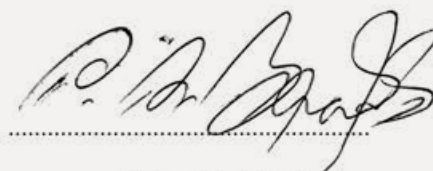
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2019, the Authority's Auditor, HLB Mann Judd, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



EXECUTIVE OFFICER



PRESIDING MEMBER

AUDIT COMMITTEE

Date 19 September 2019.

**Each week NAWMA
provides seamless
kerbside collection
services to some
115,000 properties
and annually processes
approximately 200,000
tonnes of recyclables,
waste and organics.**





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